



PRESS RELEASE

Federal Deposit Insurance Corporation • Each Depositor insured to at least \$250,000

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FDIC Board Approves Proposed Rule on Retail Foreign Exchange Transactions

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) has approved a proposed rule to adopt requirements for FDIC-supervised institutions that may engage in certain foreign exchange transactions with retail customers which fall under the provisions of section 742 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The FDIC's proposed rule closely tracks regulations adopted by the Commodity Futures Trading Commission in September 2010. It also is similar to a proposed rule published in the Federal Register by the Office of the Comptroller of the Currency on April 22, 2011.

The proposed rule applies only to transactions with retail customers, and only to futures, options, and similar transactions, such as rolling spot trades. It does not cover forward contracts or spot contracts. The proposed rule focuses on the safety and soundness of the underlying transactions through enhanced margin requirements and consumer protection through enhanced disclosure requirements among other elements. It establishes requirements dealing with disclosure, recordkeeping, capital and margin, reporting, business conduct, and documentation.

While some small businesses may be considered retail customers under the proposed rule, the rule also would not apply to foreign exchange forward contracts or spot contracts, which those businesses may use to manage their foreign exchange risks. The rule would not apply to transactions in the interbank forex market because participants in those markets are not retail customers.

The comment period for the proposed rule will be for 30 days after its publication in the Federal Register.

Attachment:



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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[Proposed Rule on Retail Forex Transactions \(PDF Help\)](#)

